



MINUTES OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

For the meeting held on
Tuesday, September 21, 2010 at 1:00 p.m.
980 9th Street, Conference Center, 2nd Floor
Sacramento, California 95814

Chairwoman Marjorie Berte called the meeting of the California Infrastructure and Economic Development Bank (I-Bank) Board to order at approximately 1:00 p.m.

1. Call To Order and Roll Call.

The following Board members were in attendance:

Marjorie Berte represented the Secretary of the Business, Transportation and Housing Agency.

Cynthia Bryant represented the Director of the Department of Finance.

Francisco Lujano represented the State Treasurer.

Bill Leonard, Secretary of the State and Consumer Services Agency.

D. Everett Rice, Governor's appointee was absent.

The following I-Bank staff members were in attendance:

Stan Hazelroth, Molly Arnold and Paula Connors.

2. Executive Director's Report.

Executive Director Stan Hazelroth reported to the Board the following:

- September 15th, he attended a reception hosted by the Buck Institute, a recent recipients of I-Bank financing, at which the I-Bank was highly praised for funding its proposed expansion.
- September 22nd, he will be speaking and representing the I-Bank at the Regional Council of Rural Counties Annual Meeting in Napa, California.
- October 6th – 8th, he will be speaking and representing the I-Bank at the Bond Buyer's California Public Finance Conference in San Francisco, California.

Consent Items:

3. Approve minutes from the meeting held on August 24, 2010

Chairwoman Berte called for questions or comments from the Board and the public. Hearing none, she entertained a motion to approve this consent item. Mr. Leonard moved to approve the minutes and Mr. Lujano seconded the motion. The minutes were unanimously approved.

Action Items:

- 4. Resolution No. 10-30 approving the sale, issuance and delivery of tax-exempt 501(c)(3) revenue bonds for the benefit of the Columbia College, a California nonprofit corporation, doing business as Columbia College Hollywood in an amount not to exceed \$5,240,000 to refinance existing debt used to acquire an economic development facility located in the Community of Tarzana, within the City of Los Angeles.**

Ms. Connors presented a staff report and described the project to refinance \$5,223,040 of an existing taxable loan used to finance the cost of acquiring, constructing, rehabilitating, improving, equipping and general development of the College's facilities located in the community of Tarzana, and stated that Columbia College is a degree-granting institution founded in 1952 that trains students in film and television production. Ms. Connors further explained that the College offers four year baccalaureate degrees and a two year associate's degree, and is accredited by the National Association of Schools of Arts and Design and approved by the California Bureau for Private Postsecondary Education. Ms. Connors indicated that the College employs 52-72 part-time faculty who are actively involved in the entertainment industry, and that the refinancing is estimated to save approximately \$237,000, thus reducing operating costs and enabling the college to support an expansion of services to its students. .

Ms Connors then introduced Mr. Sam Balisy, bond counsel for the project who was present at the meeting.

Chairwoman Berte called for questions or comments from the Board and the public. Hearing none, she entertained a motion to approve Resolution No.10-30. Mr. Leonard moved to approve the resolution and Ms. Bryant seconded the motion. The Board unanimously approved the resolution with the exception of Mr. Rice who was absent and therefore did not vote.

- 5. Resolution No. 10-31 approving the sale, issuance and delivery of tax-exempt industrial development revenue bonds for the benefit of KAKS Properties, LLC in an amount not to exceed \$2,500,000 to refund the outstanding California Infrastructure and Economic Development Bank Variable Rate Demand Industrial Development Revenue Bonds, Series 2003 (Hydro Systems, Inc. Project) used to finance the acquisition and improvements of an economic development facility located in the Community of Valencia in the County of Los Angeles, and to finance the acquisition and installation of a solar panel system on the same facility.**

Ms. Connors presented a staff report in which she stated that the project involves financing the purchase and installation of a solar panel system at a manufacturing facility located in Valencia California, and the refinancing of the outstanding California Infrastructure and Economic Development Bank Variable Rate Demand Industrial Development Revenue Bonds, Series 2003 (Hydro Systems, Inc. Project), the proceeds of which were used to finance the acquisition of the real property and improvements at the project site and the acquisition and installation of manufacturing equipment. Ms. Connors gave a description of Hydro Systems, Inc., which is a manufacturer of acrylic and gel-coat whirlpool bathtubs, soaker bathtubs, free standing bathtubs, bathtub skirts, laundry sinks, shower pans, institutional showers and parts. She reported that

Hydro Systems, Inc. has grown in size from 85 to 105 employees over the past 5 years and has also experienced an average sales growth of 10 to 12% per year from 2004 to 2008. Ms. Connors outlined the financing structure of the total project which will cost \$3,080,700 of which \$2,500,000 will be financed by tax-exempt bond proceeds, \$524,025 by a U.S. Government Solar Energy Grant and \$56,675 from the borrower's equity. Ms. Connors concluded her report by stating that the benefits of the Hydro Systems, Inc. include the creation of 10 new jobs within two years of the project and the a 70% reduction of Hydro System's electricity consumption resulting in an estimated savings of \$80,000-\$100,000.

She then introduced Mr. Sam Balisy, bond counsel for the project who was present at the meeting.

Chairwoman Berte called for questions or comments from the Board and the public. Hearing none, she entertained a motion to approve Resolution No. 10-31. Ms. Bryant moved to approve the resolution and Mr. Lujano seconded the motion. The Board unanimously approved the resolution with the exception of Mr. Rice who was absent and therefore did not vote

Other Non-Action Business.

Chairwoman Berte called for any other business; there was none.

Public Comment.

Chairwoman Berte called for any public comment; there was none.

Adjournment.

Chairwoman Berte declared the meeting adjourned at approximately 1:15 p.m.